# Exhibit 6

NOVARTIS



As filed with the Securities and Exchange Commission on March 18, 2002

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington D.C. 20549**

# FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2001

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**Commission file number 1-15024**

# NOVARTIS AG

*(Exact name of Registrant as specified in its charter)*

## NOVARTIS Inc.

*(Translation of Registrant's name into English)*

## Switzerland

*(Jurisdiction of incorporation or organization)*

**Lichtstrasse 35**
**4056 Basel, Switzerland**
*(Address of principal executive offices)*

Securities registered pursuant to Section 12(b) of the Act:

| Title of class | Name of each exchange on which registered |
|---|---|
| **American Depositary Shares each representing 1 ordinary share, nominal value CHF 0.50 per ordinary share, and ordinary shares** | **New York Stock Exchange, Inc.** |

Securities registered pursuant to Section 12(g) of the Act:

**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

**2,885,204,680 ordinary shares**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

**Yes ☒ No ☐ Not Applicable**

Indicate by check mark which financial statement item the Registrant has elected to follow:

**Item 17 ☐ Item 18 ☒**

**TABLE OF CONTENTS**


INTRODUCTION AND USE OF CERTAIN TERMS . . . . . 1

FORWARD-LOOKING STATEMENTS . . . . . 1

PART I . . . . . 2

Item 1. Identity of Directors, Senior Management and Advisers . . . . . 2

Item 2. Offer Statistics and Expected Timetable . . . . . 2

Item 3. Key Information . . . . . 2
3.A Selected Financial Data . . . . . 2
3.B Capitalization and Indebtedness . . . . . 5
3.C Reasons for the offer and use of proceeds . . . . . 6
3.D Risk factors . . . . . 6

Item 4. Information on the Company . . . . . 9
4.A History and Development of Novartis . . . . . 9
4.B Business Overview . . . . . 11
4.C Organizational Structure . . . . . 47
4.D Property, Plants and Equipment . . . . . 48

Item 5. Operating and Financial Review and Prospects . . . . . 50
5.A Operating Results . . . . . 50
5.B Liquidity and Capital Resources . . . . . 73
5.C Research and Development, Patents and Licenses . . . . . 78
5.D Trend Information . . . . . 78

Item 6. Directors, Senior Management and Employees . . . . . 78
6.A Directors and Senior Management . . . . . 78
6.B Compensation . . . . . 83
6.C Board Practices . . . . . 86
6.D Employees . . . . . 88
6.E Share Ownership of Directors and Senior Management . . . . . 89

Item 7. Major Shareholders and Related Party Transactions . . . . . 91
7.A Major Shareholders . . . . . 91
7.B Related Party Transactions . . . . . 91
7.C Interests of Experts and Counsel . . . . . 92

Item 8. Financial Information . . . . . 92
8.A Consolidated Statements and Other Financial Information . . . . . 92
8.B Significant Changes . . . . . 93

Item 9. The Offer and Listing . . . . . 93
9.A Listing Details . . . . . 93
9.B Plan of Distribution . . . . . 94
9.C Market . . . . . 95
9.D Selling Shareholders . . . . . 95
9.E Dilution . . . . . 95
9.F Expenses of the Issue . . . . . 95

Item 10. Additional Information . . . . . 95
10.A Share capital . . . . . 95
10.B Memorandum and articles of association . . . . . 95
10.C Material contracts . . . . . 100
10.D Exchange controls . . . . . 100

| | | |
|---|---|---|
| 10.E | Taxation | 100 |
| 10.F | Dividends and paying agents | 103 |
| 10.G | Statement by experts | 103 |
| 10.H | Documents on display | 104 |
| 10.I | Subsidiary Information | 104 |
| Item 11. | Quantitative and Qualitative Disclosures about Non-Product-Related Market Risk | 104 |
| Item 12. | Description of Securities other than Equity Securities | 107 |
| Part II | | 108 |
| Item 13. | Defaults, Dividend Arrearages and Delinquencies | 108 |
| Item 14. | Material Modifications to the Rights of Security Holders and use of Proceeds | 108 |
| Item 15. | [Reserved] | 108 |
| Item 16. | [Reserved] | 108 |
| Part III | | 108 |
| Item 17. | Financial Statements | 108 |
| Item 18. | Financial Statements | 108 |
| Item 19. | Exhibits | 109 |

## INTRODUCTION AND USE OF CERTAIN TERMS

Novartis AG and our consolidated subsidiaries ("Novartis" or the "Group") publish consolidated financial statements expressed in Swiss francs ("CHF"). Our consolidated financial statements found in Item 18 of this annual report on Form 20-F ("Form 20-F") include those for the year ended December 31, 2001. In this Form 20-F, references to "CHF" are to Swiss francs; references to "US dollars", "US$" or "$" are to the lawful currency of the United States of America; and references to "m" are to million. Solely for the convenience of the reader, this Form 20-F contains translations of certain Swiss franc amounts into US dollar amounts at specified rates. These translations should not be construed as representations that the Swiss franc amounts actually represent such US dollar amounts or could be converted into US dollars at the rate indicated or at any other rate. Unless otherwise indicated, the translations from Swiss francs into US dollars have been made at the market rate as quoted by the Reuters Market System in effect on December 31, 2001, which was $1.00 = CHF 1.68.

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In this Form 20-F, references to the "United States" or to "US" are to the United States of America, references to "Europe" are to all European countries (including Turkey, Russia and the Ukraine), whereas references to the European Union ("EU") are to each of the 15 member-states of the EU and references to "Americas" are to North, Central (including the Caribbean) and South America, unless the context otherwise requires; references to "Novartis" or the "Group" are to Novartis AG and its consolidated subsidiaries. You will find the words "we," "our," "us" and similar words or phrases in this Form 20-F. We use those words to comply with the requirement of the United States Securities and Exchange Commission to use "plain English" in public documents like this annual report. For the sake of clarification, each operating company in the Group is legally separate from all other companies in the Group and manages its business independently through its respective board of directors or other top local management body. No Group company operates the business of another Group company nor is any Group company the agent of any other Group company.

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We furnish to holders of our ordinary shares ("shares") annual reports that include a description of operations and annual audited consolidated financial statements prepared in accordance with International Accounting Standards ("IAS"), which differs in certain significant respects from Generally Accepted Accounting Principles in the United States ("US GAAP"). See "Item 18. Financial Statements—note 33" for a description of the significant differences between IAS and US GAAP. The financial statements included in the annual reports are examined and reported upon by our independent accountants. We also furnish holders of our shares with half-year interim reports that include unaudited interim consolidated financial information prepared in conformity with IAS with a reconciliation to US GAAP. In 2002, we will also make available to our shareholders, on our web page, quarterly interim press releases that include unaudited interim consolidated financial information prepared in conformity with IAS with a reconciliation to US GAAP.

## FORWARD-LOOKING STATEMENTS

This Form 20-F contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, relating to our business and the sectors in which we and our subsidiaries and interests operate. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "are expected to," "will," "will continue," "should," "would be," "seek" or "anticipate" or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such statements include descriptions of our investment and research and development programs and anticipated expenditures in connection therewith, descriptions of new products we expect to introduce and anticipated customer demand for such products. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements. Some of these factors are discussed in more detail herein, including under "Item 3. Key Information—3.D. Risk factors," "Item 4. Information on the Company," and "Item 5. Operating and Financial Review and Prospects." Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Form 20-F as anticipated, believed, estimated or expected. We do not intend, and do not assume any obligation, to update any industry information or forward-looking statements set out in this Form 20-F.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

### Item 2. Offer Statistics and Expected Timetable

Not applicable.

### Item 3. Key Information

#### 3.A Selected Financial Data

The financial data at December 31, 2001, 2000, 1999, 1998 and 1997 shown in the chart below are taken from audited financial statements. Our consolidated financial statements ("consolidated financial statements") for the years ended December 31, 2001, 2000 and 1999 are included elsewhere in this Form 20-F. All financial data should be read in conjunction with "Item 5. Operating and Financial Review and Prospects" and our consolidated financial statements and accompanying notes which are included elsewhere in this Form 20-F. All financial data presented in this Form 20-F are qualified in their entirety by reference to the consolidated financial statements and such notes.

The audited financial statements used to create the selected consolidated financial data set forth below were prepared in accordance with IAS. IAS differs in certain respects from US GAAP. For a discussion of the significant differences between IAS and US GAAP, see "Item 18. Financial Statements—note 33."

For further information regarding continuing and discontinued activities (the Agribusiness sector), see "Item 4. Information on the Company—4.A. History and Development of Novartis" and "Item 5. Operating and Financial Review and Prospects—5.A. Operating Results."

| | Year Ended December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2001[1] | 2001 | 2000 | 2000[2] | 1999 | 1999[2] | 1998 | 1997 |
| | ($) | (CHF) | (CHF) | (CHF) | (CHF) | (CHF) | (CHF) | (CHF) |
| | (in millions except per share data) | | | | | | | |
| **INCOME STATEMENT DATA** | | | | | | | | |
| **Amounts in accordance with IAS:** | | | | | | | | |
| **Net sales** | **19,070** | **32,038** | **35,805** | **29,112** | **32,465** | **25,409** | **31,702** | **31,180** |
| Operating income | 4,331 | 7,277 | 7,883 | 6,727 | 7,343 | 6,696 | 6,920 | 6,688 |
| Income from associated companies | 83 | 139 | 98 | 97 | 383 | 376 | 239 | 45 |
| Net financial income/expenses | 635 | 1,067 | 1,091 | 1,216 | 793 | 990 | 759 | 167 |
| **Income before taxes and minority interests** | **5,049** | **8,483** | **9,072** | **8,040** | **8,519** | **8,062** | **7,918** | **6,900** |
| Taxes | (857) | (1,440) | (1,820) | (1,504) | (1,833) | (1,683) | (1,882) | (1,674) |
| Minority interests | (11) | (19) | (42) | (25) | (27) | (20) | (26) | (18) |
| **Net income** | **4,181** | **7,024** | **7,210** | **6,511** | **6,659** | **6,359** | **6,010** | **5,208** |
| Basic earnings per share[3] | 1.63 | 2.73 | 2.75 | 2.50 | 2.50 | 2.40 | 2.28 | 1.98 |
| Diluted earnings per share[4] | 1.62 | 2.72 | 2.75 | 2.50 | 2.50 | 2.40 | 2.28 | 1.98 |
| Cash dividends[4] | 1,306 | 2,194 | 2,064 | | 1,935 | | 1,663 | 1,320 |
| Cash dividends per share[4] | 0.54 | 0.90 | 0.85 | | 0.80 | | 0.73 | 0.62 |
| Operating income from continuing operations per share: | | | | | | | | |
| basic earnings per share | 1.68 | 2.83 | 2.58 | 2.58 | 2.53 | 2.53 | 2.20 | |
| diluted earnings per share | 1.68 | 2.82 | 2.58 | 2.58 | 2.53 | 2.53 | 2.20 | |

(1) The Swiss franc amounts have been translated into US dollars at the rate of CHF 1.68 to the dollar. Such translations should not be construed as representations that the Swiss franc amounts represent, or have been or could be converted into, US dollars at that or any other rate.

(2) Financial data is presented on a continuing basis and gives effect to the Agribusiness spin-off (see "Item 4. Information on the Group—4.A. History and Development of the Group").

(3) Basic earnings per share has been adjusted to reflect a forty-for-one share split effective May 7, 2001. All years presented have been adjusted to provide a consistent earnings per share representation.

(4) Cash dividends represent cash payments in the applicable year that generally relate to earnings of the previous year. Dividends in prior years have been adjusted to reflect the share split in 2001.

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2001[1] | 2001 | 2000 | 1999 | 1998 | 1997 |
| | ($) | (CHF) | (CHF) | (CHF) | (CHF) | (CHF) |
| | (in millions except per share data) | | | | | |
| **BALANCE SHEET DATA** | | | | | | |
| **Amounts in accordance with IAS:** | | | | | | |
| Cash, cash equivalents and current marketable securities | 13,002 | 21,844 | 20,523 | 16,328 | 14,170 | 13,722 |
| Inventories | 2,448 | 4,112 | 4,122 | 6,887 | 6,695 | 6,545 |
| Other current assets | 4,907 | 8,244 | 8,294 | 11,464 | 9,088 | 9,139 |
| Long-term assets | 19,396 | 32,585 | 25,257 | 30,848 | 26,272 | 24,244 |
| **Total assets** | **39,753** | **66,785** | **58,196** | **65,527** | **56,225** | **53,650** |
| Trade accounts payable | 1,077 | 1,809 | 1,591 | 1,971 | 1,537 | 1,757 |
| Other current liabilities | 7,393 | 12,420 | 10,049 | 15,442 | 13,453 | 15,889 |
| Long-term liabilities and minority interests | 6,137 | 10,311 | 9,694 | 10,898 | 9,839 | 9,533 |
| Total equity | 25,146 | 42,245 | 36,862 | 37,126 | 31,396 | 26,471 |
| **Total liabilities and equity** | **39,753** | **66,785** | **58,196** | **65,437** | **56,225** | **53,650** |
| Net assets | 25,208 | 42,349 | 36,940 | 37,437 | 31,590 | 26,699 |
| Outstanding share capital | 758 | 1,274 | 1,304 | 1,313 | 1,328 | 1,370 |
| **Amounts in accordance with US GAAP:** | | | | | | |
| **Income statement data** | | | | | | |
| Net income | 2,799 | 4,703 | 6,913 | 5,419 | 4,955 | |
| Basic and diluted earnings per share[2] | 1.13 | 1.90 | 2.74 | 2.10 | 1.92 | |
| **Balance sheet data** | | | | | | |
| Total equity | 30,207 | 50,747 | 48,802 | 50,575 | 47,823 | |
| Total assets | 45,093 | 75,756 | 72,077 | 79,756 | 73,014 | |

(1) The Swiss franc amounts have been translated into US dollars at the rate of CHF 1.68 to the dollar. Such translations should not be construed as representations that the Swiss franc amounts represent, or have been or could be converted into, US dollars at that or any other rate.

(2) Earnings per share has been adjusted to reflect a forty-for-one share split effective May 7, 2001. All years presented have been adjusted to provide a consistent earnings per share representation.

**Cash Dividends per Share**

Cash dividends are translated into US dollars at the Reuters Market System Rate on the payment date. Because we pay dividends in Swiss francs, exchange rate fluctuations will affect the US dollar amounts received by holders of ADSs.

| Year Earned | Month and Year Paid | Total Dividend per share | Total Dividend[1][2] per share | Total Dividend[3] per ADS |
|---|---|---|---|---|
| | | (CHF) | ($) | ($) |
| 1997 | April 1998 | 0.62 | 0.42 | 0.36 |
| 1998 | April 1999 | 0.73 | 0.48 | 0.40 |
| 1999 | April 2000 | 0.80 | 0.49 | 0.41 |
| 2000 | April 2001 | 0.85 | 0.52 | 0.43 |
| 2001[4] | March 2002 | 0.90 | 0.54 | 0.54 |

(1) The Swiss franc amounts have been translated into US dollars at the rate of CHF 1.68 to the dollar. Such translations should not be construed as representations that the Swiss franc amounts represent, or have been or could be converted into, US dollars at that or any other rate.

(2) Adjusted for a forty-for-one share split and share-to-ADS ratio change on May 7, 2001.

(3) Adjusted for a two-for-one split for the ADSs on May 11, 2000.

(4) Dividend to be proposed at Annual General Meeting on March 21, 2002.

**Exchange Rates**

The following table shows, for the years and dates indicated, certain information concerning the rate of exchange of Swiss francs per US dollar based on exchange rate information found on Reuters Market System. The exchange rate in effect on March 11, 2002, as found on Reuters Market System, was CHF 1.68 = $1.00.

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | Period End | Average[1] | High | Low |
| 1997 | 1.46 | 1.45 | 1.54 | 1.34 |
| 1998 | 1.37 | 1.45 | 1.54 | 1.29 |
| 1999 | 1.59 | 1.51 | 1.60 | 1.36 |
| 2000 | 1.64 | 1.69 | 1.83 | 1.55 |
| 2001 | 1.68 | 1.69 | 1.82 | 1.58 |
| November 2001 | | | 1.67 | 1.63 |
| December 2001 | | | 1.68 | 1.63 |
| January 2002 | | | 1.71 | 1.64 |
| February 2002 | | | 1.72 | 1.68 |
| March 2002[2] | | | 1.71 | 1.67 |

(1) Represents the average of the exchange rates on the last day of each full month during the year.

(2) The high and low US dollar/Swiss Franc exchange rate is current as of March 11, 2002.

**3.B Capitalization and Indebtedness**

Not applicable.

**3.C Reasons for the offer and use of proceeds**

Not applicable.

**3.D Risk factors**

You should carefully consider all of the information set forth in this annual report and the following risk factors. The risks below are not the only ones we face. Additional risks not currently known to us or that we presently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. This annual report also contains forward-looking statements that involve risks and uncertainties. Our results could materially differ from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere. See "Forward-Looking Statements."

**Risks Related to our Business**

***We face intense competition from new products and from lower-cost generic products***

Our products that are under patent protection face intense competition from competitors' proprietary products. This competition may increase as new products enter the market. We also face increasing competition from lower-cost generic products after patents on our products expire. Loss of patent protection typically leads to a rapid loss of sales for that product and could affect future results. Patent protection is no longer available in major markets for the active ingredients used in a number of Novartis Pharmaceuticals' leading products. Patent protection exists for the micro-emulsion formulation and other cyclosporin formulations through 2009 in major markets. Despite that protection, generic products competing with Neoral® entered the transplantation market segment in the United States, Germany and elsewhere. Our patent protection for Aredia® is limited. A generic version of Aredia® was launched in the United States in 2001. Others have been tentatively approved by the FDA and are expected to be launched in May of 2002. Generic products in competition with Aredia® are on sale in Canada and elsewhere. Patent protection or regulatory exclusivity will expire in the next few years in major markets for the key product Sandostatin®. The basic octreotide substance patents expire in late 2002 in the United States and Japan, and from 2003 to 2009 in major EU countries. Voltaren® is off-patent and revenue declines year-over-year may be significant over the next few years.

As new products enter the market, our products may become obsolete or our competitors' products may be more effective or more effectively marketed and sold than our products. If we fail to maintain our competitive position, this could have a material adverse effect on our business and results of operations.

***Product regulation may adversely affect our ability to bring new products to market***

We and our competitors are subject to strict government controls on the development, manufacture, labeling, distribution and marketing of products. We must obtain and maintain regulatory approval for our pharmaceutical and other products from regulatory agencies before products may be sold in a particular jurisdiction. The submission of an application to a regulatory authority does not guarantee that a license to market the product will be granted. Each authority may impose its own requirements and delay or refuse to grant approval, even though a product has been approved in another country. In our principal markets, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approval varies by country but generally takes from six months to several years from the date of application. There have been recent press articles indicating a possible general slowing of review and approval of new pharmaceutical products by regulatory authorities, the US FDA in particular. While it is not possible for us to say that there is in fact a conscious policy to slow down the approval and registration process, the implementation of such a policy is possible and is a risk that must be considered real in our industry.

In addition to regulatory delays, other risks associated with product regulation include the inability to successfully complete clinical trials, claims and concerns about safety and efficacy, new discoveries, patents and products of competitors and related patent disputes and claims about adverse side effects. These risks are only a few of the factors that could delay or even prevent registration of a product. The registration process increases the cost to us of developing new products and increases the risk that we will not succeed in selling them successfully.

Changes in intellectual property protections and remedies, trade regulations and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products, as well as unstable governments and legal systems, intergovernmental disputes and possible nationalization could also materially adversely affect our business or results of operations.

**Risks Affecting our Industry**

***Our research and development efforts may not succeed or our competitors may develop more effective or successful products***

In order to remain competitive, we must continue to launch new and better products each year. To accomplish this, we commit substantial resources to research and development through our dedicated resources. In addition, we spend considerable effort and funds on various collaborations with third parties. Our ongoing investments in new product launches and research and development for future products could produce higher costs without a proportional increase in revenues.

In the pharmaceutical business, the research and development process can take from 10 to 12 years from discovery to commercial product launch. This process is conducted in various stages, and during each stage there is a substantial risk that we will not achieve our goals and accordingly we may abandon a product in which we have invested substantial amounts. If we fail to continue developing commercially successful products, or if competitors develop more effective products or a greater number of successful new products, this could have a material adverse effect on our business and results of operations.

***Price controls can limit our revenues and adversely affect our business and results of operations***

In addition to normal price competition in the marketplace, the prices of our pharmaceutical products are restricted by price controls imposed by governments and health care providers in most countries. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products and may have an adverse effect on our business and results of operations.

In the United States, the current national debate over Medicare reform could increase pricing pressures. If Medicare reform results in the provision of outpatient pharmaceutical coverage for beneficiaries, the United States government could use its enormous purchasing power to demand discounts from pharmaceutical companies thereby creating de facto price controls on prescription drugs. In Europe, our operations are also subject to price and market regulations. Many governments are introducing healthcare reforms in an attempt to curb increasing healthcare costs. In Japan, where we also operate, governmental price cut rounds generally are introduced biannually. In response to rising healthcare costs, many governments and private medical care providers, such as HMOs, have instituted reimbursement schemes that favor the substitution of generic pharmaceuticals for more expensive brand-name pharmaceuticals. In the United States, generic substitution statutes have been enacted by virtually all states and permit or require the dispensing pharmacist to substitute a less expensive generic drug instead of an original ethical drug. As a result, we expect that pressures on pricing and operating results will continue and may increase.

***We operate in highly competitive and rapidly consolidating industries***

We operate in highly competitive and rapidly consolidating industries. Our principal competitors are major international corporations with substantial resources for research and development, production and marketing. Our competitors are consolidating, and the strength of combined companies could affect our competitive position in all of our business sectors.

***Product liability claims could adversely affect our business and results of operations***

Potentially, product liability is a significant commercial risk for us. Substantial damage awards have been made in some jurisdictions against pharmaceutical companies based upon claims for injuries allegedly caused by the use of their products. We are involved in a number of product liability cases claiming damages as a result of the use of our products. While we hold insurance for product liability in reasonable and prudent amounts, it is possible that not all risks may be covered by such insurance. We believe, but do not know with certainty, that any reasonably foreseeable unaccrued costs and liabilities associated with the risks of product liability claims will not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

***Our business will continue to expose us to risks of environmental liabilities***

We use hazardous materials, chemicals, viruses and toxic compounds in our product development programs and manufacturing processes which have exposed us and in the future could expose us to risks of accidental contamination and events of noncompliance with environmental laws and regulatory enforcement, personal injury, property damage and claims resulting therefrom. If an accident occurred or if we were to discover contamination caused by prior operations, we could be liable for cleanup obligations, damages or fines, which could have an adverse effect on our business and results of operations.

The environmental laws of many jurisdictions impose actual and potential obligations on us to remediate contaminated sites. These obligations may relate to sites:

- that we currently own or operate;
- that we formerly owned or operated; or
- where waste from our operations was disposed.

These environmental remediation obligations could significantly reduce our operating results. In particular, our accruals for these obligations may be insufficient if the assumptions underlying the accruals prove incorrect or if we are held responsible for additional contamination.

Stricter environmental, safety and health laws and enforcement policies could result in substantial costs and liabilities to us, and could subject our handling, manufacture, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby harming our business and operating results.

***We depend on third party suppliers for manufacture of certain of our products, and a supply interruption could adversely affect our business and results of operation***

The products we market, distribute and sell are either manufactured at our dedicated manufacturing facilities, through toll manufacturing arrangements or through supply agreements with third parties. Inasmuch as many of our products are chemically based and are the result of technically complex manufacturing processes, we can provide no assurances that supply sources will not be interrupted from time to time. We also operate in a dynamic regulatory environment, making supply never an absolute certainty.